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RECOMMENDATION SUBMITTAL

DATE: June 25, 2015

TO: Catherine Payne, Chairperson Performance and Accountability Committee

FROM: Tom Hutton, Executive Director

AGENDA ITEM: Action on Guiding Principles and Discussion Draft of Charter Contract Renewal Criteria

I. DESCRIPTION

Rather than asking the Committee to take action on Guiding Principles and Discussion Draft of Charter Contract Renewal Criteria at this time, staff offers this submittal for discussion purposes only. Staff is working to incorporate into the renewal criteria aspects that may be necessary to support Hawaii’s application for the 2015 federal Charter Schools Program (“CSP”) grant for State Educational Agencies, which would provide funding for grants to startup charter schools and possibly dissemination of best practices from charter schools. Staff will continue to refine the recommendations to prepare for the Commission to approve the Guiding Principles and Discussion Draft of the Charter Contract Renewal Criteria at its July General Business Meeting.

II. AUTHORITY

Renewal, Nonrenewal, and Revocation: Pursuant to §302D-5(a), Hawaii Revised Statutes (“HRS”), “[a]uthorizers are responsible for executing the following essential powers and duties: . . . (6) Determining whether each charter contract merits renewal, nonrenewal, or revocation.”

Additionally, HRS §302D-18(h) An authorizer shall develop revocation and nonrenewal

processes that . . . [p]rovide charter contract holders with a timely notification of the prospect of revocation or non-renewal and the reasons for such possible closure[.]

Delegation of Duties: Pursuant to §302D-5(d), HRS, “[a]n authorizer may delegate its duties to officers, employees, and contractors.”

III. BACKGROUND

On July 1, 2013, the Commission executed the inaugural State Public Charter School Contract (“Charter Contract”) with each charter school, effective for the 2013-14 school year as a one-year pilot.

On July 1, 2014, the Commission executed the second generation Charter Contract, which had a term of three years beginning July 1, 2014 and ending June 30, 2017. At that time the Commission determined that schools that meet exemplary performance (which was to have been defined at a future time and based on performance framework outcomes) will receive an automatic two year extension on their Charter Contracts.

On March 12, 2015, the Commission approved the adoption of the Charter Contract renewal procedures and timeline for the development and implementation of the Charter Contract renewal process, as described in the submittal to the Performance and Accountability Committee dated February 26, 2015, (See Exhibit 1 for the adopted timeline).

The Commission’s approved process has staff presenting a preliminary draft of the Renewal Application, Criteria, and Guidance to Performance and Accountability Committee and then Commission for approval in May of 2015. The presentation of the draft Renewal Application and Criteria is behind schedule. Staff hopes to present the complete application, including the renewal criteria and guidance, at the July General Business Meeting. Once approved, Commission staff will actively solicit comments from the Hawaii Public Charter School Network (“HPCSN”), other charter schools, and other stakeholders and will include holding webinars on the preliminary draft within the next two months. Staff will then review and consider comments and prepare a final draft of the Renewal Application, Criteria, and Guidance. In September, staff will present the final draft to the Performance and Accountability Committee and the full Commission.

IV. DECISION-MAKING STATEMENT

This plan reflects certain Guiding Principles that should inform the development of any final renewal criteria and process eventually approved. Those Guiding Principles include the following:

1. Rather than receiving a two-year extension of their current contracts as previously planned, exemplary schools will automatically be eligible for a full, new five-year contract.
2. Every school will be renewed at the end of this contract term unless, in the case of a school whose performance falls in the lowest bracket, the school refuses to accept an additional probationary year in which it must either achieve probationary benchmarks or close at the end of the probationary year.
3. One of the most important factors when determining whether to renew a school's charter shall be whether the school has achieved increases in academic performance for all students, including high-needs students.¹
4. A school's performance under all three performance frameworks (academic, organizational, and financial) shall be factored into renewal decisions.
5. Where the Commission's Academic Performance Framework ("APF") departs from the Strive HI Performance System (e.g. weighted Academic Performance Index for multi-division schools and school-specific measures), the APF methodologies shall be used for renewal decisions.
6. For this round of renewals, Hawaiian immersion schools shall be considered separately from other charter schools.

The approved Renewal Procedures and Estimated Timeline also anticipated the development, explanation, and approval for determining the "exemplary" designation, based on the performance framework, for an automatic two-year contract renewal. This submittal obviates the need for that process, since the new plan provides instead that a school performing within the top bracket statewide (falling in the top ten percent over a three year average ranking) shall automatically be eligible for a full five-year contract.

This submittal describes the proposed criteria that will be applied to a school's academic, financial, and organizational performance to determine the length of the renewed contract. At this early stage the Commission is not addressing substantive contract terms but only renewal provisions and the term of years of future contracts.

The criteria for non-Hawaiian Immersion² schools and Hawaiian Immersion schools are addressed separately in this submittal for added clarity based on the timeline of available academic results for each group. Additionally, we address the renewal criteria for Mālama Honua Public Charter School ("Malama Honua") in the section of the submittal discussing the terms for the Hawaiian Immersion schools because that school similarly will have limited data at the end of its contract term.

¹ Subject to further clarification and discussion with the USDOE pursuant to the 2015 CSP SEA grant.

² Malama Honua began school operations in school year 2014-2015 and as such will have limited data. Ka'u Learning Academy will begin school operations in school year 2015-2016 and has a five-year contract; therefore it will not be up for contract renewal until school year 2020-2021.

Before reading the explanation of the criteria and how they will be applied to schools, it is important to understand the timeline for contract renewal. In late summer or early fall of this year, the Commission will have three years of Strive HI data and two years of Academic Performance Assessment for each charter school, except for Malama Honua, SEEQS: The School for Examining Essential Questions of Sustainability, and Ka'u Learning Academy. In addition, this fall, Commission staff will start Academic Monitoring, which will include data collection and analysis for schools that meet certain academic criteria.

By October 2016, schools will have four years of Strive HI results and three years of Academic Performance Assessment data. In December of that year, schools will begin the renewal application process. Schools that were selected to participate in Academic Monitoring will have a year and a half of tracking targeted academic goals by that time. The current contracts expire in June of 2017.

Fall of 2015	Fall of 2016	December 2016	June 2017	Fall 2017
<ul style="list-style-type: none"> • 3rd year of Strive HI results • 2nd year of APF 	<ul style="list-style-type: none"> • 4th year of Strive HI results • 3rd year of APF 	Contract renewal process begins	Current contracts expire	<ul style="list-style-type: none"> • 5th year of Strive HI results • 4th year of APF
<i>Academic monitoring will begin for selected schools</i>	<i>2nd year of Academic monitoring for selected schools</i>		<i>New contract terms begin</i>	

A. Renewal Criteria for Non-Hawaiian Immersion Charter School

Step 1: First, the Commission will separate all public schools statewide (Department of Education and charter) into groups by grade division (elementary, middle, and high). Then staff will take the APF score, including the weighted Academic Performance Index (“API”) and a School-Specific Measure (“SSM”) if applicable, and rank all schools within each grade division. For example, if a school serves K-8, it will be compared to all middle schools statewide, but its weighted APF score will be used to reflect the academic performance of its population more accurately.

Step 2: Next, the Commission will calculate the school’s average ranking for three years of APF data. This average ranking will determine the bracket of renewal eligibility into which each school falls, as well as any additional criteria that will be used in the analysis.

Bracket 1	Average Ranking of 90 or higher
Bracket 2	Average Ranking of 50-89
Bracket 3	Average Ranking of 21-49
Bracket 4	Average Ranking of 20 or below

a. Bracket 1: Three-Year Average Ranking of 90 or Higher

If the average ranking for three years is 90 or higher, the school will automatically be eligible for a full five-year contract.

b. Bracket 2: Three-Year Average Ranking of 50-89

Schools that have an average ranking of between 50 and 89 will earn a three-year contract renewal term. These schools will be eligible to apply for a fourth year on contract term if the following criteria are met:

- i) No overall “Does Not Meet” or “Falls Far Below” rating on either the Financial or the Organizational Framework Assessment;³ and
- ii) An **Additional Indicators** score of 35 points or higher. (See explanation of Additional Indicators, below.)

Additional Indicators

The **Additional Indicators** consist of specific information that schools can or must provide, depending on their average ranking bracket. The purpose of the **Additional Indicator** section of the renewal application is to allow the school to tell the story behind its numbers. There are four sections: **Trend Indicators, Demographic Comparison, Gap Analysis, and the School’s Renewal Narrative.**

The **Trend Indicators** have a potential value of 10 points. In this section, schools can highlight upward trends in academic performance in API scores, Academic Monitoring goals, Title I, or other strategic plan academic goals.

The **Demographic Comparison** section has a potential value of 10 points. In this section schools can compare their performance to other “like schools” and can propose a definition themselves of the “like schools” to which they should be compared. For example, a rural school serving a high poverty student population

³ The Organizational and Financial Frameworks do not currently have one overall rating. The overall single rating criteria for these two frameworks will be presented at the July General Business Meeting.

can compare its data to other schools within its complex area, or to other rural schools statewide, or other schools serving a high poverty student population. This will allow the school to demonstrate how it is filling a compelling educational need in their community.

The **Gap Analysis** section has a potential value of 10 points. This section compares the academic performance of High Needs students (students who qualify for Special Education Services, Free and Reduced Lunch, or are English Language Learners) with the performance of Non-High Needs students for the third year of results (Fall 2016). If the school's gap rate is below the statewide average gap rate, then the school will receive zero points. If the school's gap rate is higher than the statewide average gap rate, then the school has the opportunity to earn up to five points by providing a comprehensive plan for increasing the academic performance of its High Needs students.

The **School's Renewal Narrative** section has a potential value of 10 points. The purpose of this section is to allow schools to tell their story in terms of educational leadership and school management. In this section, schools would describe lessons they have learned and adjustments they have made along the way. Those adjustments might include an overhaul to curriculum, teaching methodologies staffing, leadership or professional development focus. This section should highlight corrective actions that already have been taken to improve student academic performance. It should demonstrate reflective school leadership that has been proactive in identifying shortfalls and taking decisive action to improve key academic outcomes. This section should not highlight plans for the future.

Each section of the **Additional Indicators** will have a rubric (still being developed) that will be provided to schools and to evaluators to explain how points will be awarded for each section and to ensure consistency for all schools.

c. **Bracket 3: Three-Year Average Ranking of 21-49**

When a school's three-year average falls within the range of 21-49, a point formula will be applied. The **Additional Indicators** will be added to the three-year average, then five points will be subtracted for each overall rating of "Does Not Meet" in Organization or Financial Framework Analysis, and 10 points will be subtracted for each "Falls Far Below" in Organizational or Financial Framework analysis. If the result under this point formula is equal to or greater than 61 points, the renewal term will be two years. If the result is 60 or lower, the school will be granted a one-year renewal.

d. Bracket 4: Three-Year Average Ranking of 20 or Below

If a school's average ranking is 20 or below, then the school will enter into a one-year probation period. Schools in probation will already have been involved in Academic Monitoring and will continue to track academic targets on a quarterly basis and will be subject to quarterly reporting on these indicators. When a school's academic performance necessitates the one-year of probation, the school will continue to work towards meeting its goals set in Academic Monitoring. If the school does not make adequate progress towards these goals during the first three quarters, the school will be closed with no opportunity for appeal. If the school wishes to challenge its probationary status, the time to do so will be at the onset: during the spring of 2017.

B. Hawaiian Immersion Schools

In the spring of 2015, third and fourth grade students were given the first administration of the Hawaiian Language State Assessment. In the spring of 2016, third and fourth grade students will take the second administration of the test, and fifth and sixth graders will take the assessment. This will provide results for two grade levels in the spring of 2017; the first assessment for each grade level will constitute a pilot and will be used only to validate the test, school wide data will not be released to evaluate the academic performance of the school. (See table below.)

Hawaiian Immersion Timeline

Fall of 2015	Fall of 2016	December 2016	June 2017	Fall 2017
2 nd year of APF results where grades taught primarily in Hawaiian excluded.	First year of HLSA results for 3 rd and 4 th graders.	Contract renewal process begins	Current Contracts expire	First year of HLSA results for 5 th and 6 th graders, Second year of results for 3 rd and 4 th graders.
<i>No school level results from Hawaiian Language Standardized Assessment (HLSA) for grades 3 and 4.</i>	<i>HLSA test results released to schools and Commission to determine baseline.</i>		<i>New Contract terms begin</i>	

When the contract renewal process begins in December of 2016, the Commission will only have one year of baseline academic performance data for two grade levels. With only one year of baseline data, it is impossible to make an accurate assessment of a school's overall health in regards to academic performance. Staff therefore is recommending that all Hawaiian immersion schools automatically receive a three-year contract renewal term.

The three-year term was chosen for several reasons. First, by December of 2019, the Commission expects to have four years of assessment data for grades 3 and 4, three years of assessment data for grades 5 and 6, two years of assessment data for grades 7 and 8, and one year of assessment data for grades 9 and 10. This will be sufficient data upon which to base the high-stakes decision of renewal. Second, a term of fewer than three years could have detrimental effects on the school in terms of fundraising, grant writing, and development of overall school improvement strategies. Finally, within the three-year contract period, Hawaiian immersion schools would be eligible for Academic Monitoring, which could allow the Commission to closely monitor academic progress and allow the schools to closely track the success of school improvement efforts.

Similarly, Malama Honua will be granted a three-year contract. Malama Honua will not have academic results in the fall of 2015, since currently, its highest grade served is second grade. Like the Hawaiian immersion schools, it will have its first set of academic data in the fall of 2016 when it receives the results from the assessment of its first third grade class.

A flowchart setting forth these proposed draft charter contract renewal terms and timeline is attached as **Exhibit 2**.

This plan, along with the Guiding Principles, is intended to provide a clear and fair method for determining the term of contract renewals for charter schools in the spring of 2017. The criteria measure school performance relative to other schools statewide and allow schools to demonstrate upward trends, compare performance to schools serving a similar demographic, and be recognized for closing the achievement gap between High Needs students and Non-High Needs students. In addition, the criteria allow for schools to tell the story behind their numbers and to highlight their reflective and proactive school leadership.

V. RECOMMENDATION

None; for informational purposes at this time.

Exhibit 1

Charter Contract Renewal Procedures and Estimated Timeline

Charter Contract Renewal Procedures and Estimated Timeline

Estimated Date	Procedure
February thru March 2015	Staff researches and composes the preliminary draft of the Renewal Application, Criteria, and Guidance.
April/May 2015	Staff presents the preliminary draft of the Renewal Application, Criteria, and Guidance to the Performance and Accountability Committee and the Commission. The Commission approves the preliminary draft to be sent to charter schools for comment, and staff releases the preliminary draft of the Renewal Application, Criteria, and Guidance to charter schools.
May thru July 2015	Staff solicits comments from the Hawaii Public Charter School Network (“HPCSN”) and schools and holds webinars on the preliminary draft of the Renewal Application, Criteria, and Guidance.
August 2015	Staff reviews and considers comments and prepares final draft of the Renewal Application, Criteria, and Guidance.
August/September 2015	Staff presents the final draft of the Renewal Application, Criteria, and Guidance to the Performance and Accountability Committee and the Commission. The Commission approves and releases the Renewal Application, Criteria, and Guidance.
October 2015 thru January 2016	Staff holds webinars and/or orientations for each governing board and school leader on the Renewal Application, Criteria, and Guidance.
November/December 2015	Staff develops draft criteria for determining “exemplary” designation for automatic two-year renewals based on performance frameworks.
January 2016	Staff solicits comments from HPCSN and schools on draft criteria for determining “exemplary” designation.
February/March 2016	Staff presents the revised draft of the “exemplary” criteria to the Performance and Accountability Committee and the Commission for approval.
July 2016	Staff releases Preliminary Renewal Performance Reports, which contain performance data on SY 2013-14 and 2014-15 only, to each charter school.
September thru November 2016	Staff updates Renewal Performance Reports with performance data from SY 2015-16.

Estimated Date	Procedure
November 2016	The Commission approves Renewal Performance Reports, approves “exemplary” charter schools (as determined by the “exemplary” criteria and pursuant to the Charter Contract ⁴), and issues Renewal Performance Reports to all schools, pursuant to law ⁵ . The Commission informs Board of Education (“BOE”) and “exemplary” schools of two-year Charter Contract extension. The Commission notifies the Department of Education (“DOE”) of schools not designated as “exemplary” and undergoing renewal, and those schools notify parents of renewal process (as required by the Renewal Application).
December 2016	Governing boards of charter schools not designated as “exemplary” submit Renewal Applications and requests for hearing to the Commission within 30 days of receiving a Renewal Performance Report. ⁶
January 2017	The Commission holds hearings for charter schools requesting a hearing. ⁷

⁴ Charter Contract §1.1 The term of this Contract shall [be] three years, commencing on July 1, 2014, and terminating on June 30, 2017; provided that if the School demonstrates exemplary performance, as determined by the Commission, on the Performance Frameworks under Section 4.1, it shall be granted a two-year extension through June 30, 2019.

⁵ HRS §302D-18(b) The authorizer shall issue a charter school performance report and charter contract renewal application guidance to any charter school whose charter contract is in its final contract year.

HRS §302D-18(h)(1) An authorizer shall develop revocation and non-renewal processes that . . . [p]rovide charter contract holders with a timely notification of the prospect of revocation or non-renewal and the reasons for such possible closure[.]

⁶ HRS §302D-18(e) No later than thirty days after the issuance of the performance report, the governing board of a charter school seeking renewal shall submit a renewal application to the authorizer pursuant to the renewal guidance issued by the authorizer.

HRS §302D-18(h)(2) An authorizer shall develop revocation and non-renewal processes that . . . [a]llow charter contract holders a reasonable amount of time in which to prepare a response[.]

HAR §8-505-12(c) The charter school shall have thirty days from the date of mailing of the performance report to submit a renewal application, to respond to the performance report and any identified weaknesses, deficiencies, or concerns, to submit any corrections or clarifications for the report, and to request a hearing.

⁷ HRS §302D-18(h)(3) An authorizer shall develop revocation and non-renewal processes that . . . [p]rovide charter contract holders with an opportunity to submit documents and give testimony challenging the rationale for closure and supporting the continuation of the school at an orderly proceeding held for that purpose[.]

Estimated Date	Procedure
February 2017	The Commission decides whether or not to renew Charter Contracts of schools not designated as “exemplary” within 45 days of receiving Renewal Applications. ⁸ Within 15 days of the decisions, the Commission simultaneously notifies the BOE and each respective charter school of renewal and nonrenewal actions. ⁹ The Commission notifies DOE and media of renewal and nonrenewal decisions.
March thru May 2017	Governing boards whose charter contracts are not renewed may file for an appeal with the BOE within 21 days of receiving notification of nonrenewal ¹⁰ and the appeals process ensues. The BOE makes decisions on appeals within 60 days from the filing of an appeal. ¹¹

⁸ HRS §302D-18(e) The authorizer shall decide whether or not to renew the charter no later than forty-five days after the filing of the renewal application.

HRS §302D-18(h)(6) An authorizer shall develop revocation and non-renewal processes that . . . [a]fter a reasonable period for deliberation, require a final determination to be made and conveyed in writing to the charter contract holders.

HAR §8-505-13(a) The commission shall make a final decision on whether or not to renew the charter contract within forty-five days following receipt of the application for contract renewal and after the hearing, if held.

⁹ HRS §302D-18(j) Within fifteen days of taking action to renew, not to renew, or to revoke a charter contract, the authorizer shall report to the board the action taken, and shall simultaneously provide a copy of the report to the charter school.

HAR §8-505-13(b) Within fifteen days of making its decision to renew or not renew the charter contract, the commission shall issue its decision in writing, served upon the charter contract holder by registered or certified mail with return receipt requested. The decision shall set forth, with reasonable specificity, the reason for its decision. The decision shall also include a statement that the charter contract holder may file an appeal with the board within twenty-one calendar days of receipt of the written decision of nonrenewal. The written decision shall be simultaneously transmitted to the board.

¹⁰ HRS §302D-15(a) An appeal shall be filed with the board within twenty-one calendar days of the receipt of the notification of denial or revocation. Only a party whose charter application has been denied, whose charter contract renewal has been denied, or whose charter contract has been revoked may initiate an appeal under this section for cause.

HAR §8-510-4 An appeal shall be filed with the board within twenty-one days after the applicant's or the charter school's receipt of the notification of the authorizer's decision. For these purposes, an authorizer's notification of decision shall be deemed received three days after the date of mailing to the applicant or charter school as computed in accordance with section 8-510-14.

¹¹ HRS §302D-15(a) The board shall review an appeal and issue a final decision within sixty calendar days of the filing of the appeal.

Exhibit 1

Estimated Date	Procedure
May 2017	Commission initiates Closure Protocol for schools whose Charter Contracts are not being renewed. (Note: The School Closure Policy and Closure Protocol will be developed separately, tentatively targeted to be completed by November 2015.)

Exhibit 2

Proposed Draft Charter Contract Renewal Flowchart and Timeline

